

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice PF-192

For: State and County Offices

Establishing Receivables Resulting From Requests for Reconstitutions

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

Notice CM-441:

- advised State and County Offices of new guidelines for accepting FY 2002 FSA-155's for multiple ownership farms
- advised State and County Offices of the revised policy for processing FY 2002 farm divisions and tract divisions for multiple ownership farms
- reminded State and County Offices of the requirement that all PFC payments issued on the farm must be refunded before a farm division can be processed.

B

Purpose

This notice:

- amends the policy for requiring refund of all PFC payments before initiating a farm division as authorized by Notice CM-441
- provides instructions for establishing receivables, at the producer's option, when PFC payment amounts have not been refunded.

Disposal Date

January 1, 2003

8-23-02

Distribution

State Offices; State Offices relay to County Offices

Notice PF-192

2 Requirement for Refunding PFC Payments

A

Amended Policy

As specified in Notice CM-441, producers will be allowed to continue to request an FY 2002 farm and/or tract division. However, the farm division cannot be initiated in the system if FY 2002 PFC payments have been issued on the farm but have not been refunded.

To accommodate the transition from PFC to DCP, the policy requiring refund of all PFC payments on the farm before initiating the farm reconstitution is being waived for those producers who request that the refund be set up as a receivable for future offset.

County Offices shall:

- require producers who do not want a receivable established for future offset on the farm being reconstituted to refund the FY 2002 PFC payments before processing the reconstitution
 - establish receivables for **all** producers on the parent farm who agree to the establishment of the receivable in writing.
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B

Establishing Receivables

Once all refunds have been received or producers have agreed in writing to the establishment of receivables for future offset, County Offices shall follow the steps in this table to establish receivables due to a request for a farm division as authorized in Notice CM-441.

Note: Receivables shall not be established if a tract division is the only request being processed.

Step	Action
1	Cancel the AMTA contract according to 1-PF, paragraph 636.
2	Compute overpayments according to 2-PF, paragraph 221. PFC payments issued to all producers associated with the farm being reconstituted will be listed on the overpayment register because the contract does not have a payment approval date.
3	Transfer the overpayment amounts for all producers on the farm to CRS according to 2-PF, paragraph 224. Note: The debt basis code will default to 10-429 which will not result in interest being charged from the date the PFC payment was disbursed. Do not change the debt basis code. Interest will accrue in the normal manner in CRS if the receivable is not repaid within 45 calendar days from the date the receivable was established.

Continued on the next page

2 Requirement for Refunding PFC Payments (Continued)

C

**County Office
Action**

County Offices shall:

- ensure that producers are given the option to refund the PFC payments or establish receivables

Note: Producers must agree in writing to the establishment of receivables in cases where the PFC payments are not immediately refunded to the County Office.

- notify producers of the establishment of receivables according to 58-FI and 67-FI
- offset future program payments to satisfy the receivables if producers have not refunded the amount of the receivable.

FY 2002 PFC receivables will be monitored to ensure that receivables are timely satisfied.
